

Rushenberg, Tim

From: Shaw Friedman [sfriedman.associates@verizon.net]
Sent: Wednesday, February 20, 2008 4:04 PM
To: Rushenberg, Tim
Cc: Musgrave, Cheryl
Subject: Fw: Formal Complaint
Attachments: Final Formal Complaint against Ms. Lorraine Harmon.pdf

Tim,

Here is a courtesy copy of a formal ethics complaint we filed electronically today with the Indiana Ethics Commission against former DLGF staff person Lorraine Harmon.

As always, should you have any questions, please do not hesitate to contact me.

Thank-you.

Shaw Friedman

FRIEDMAN & ASSOCIATES P.C.
705 Lincolnway
LaPorte, IN 46350
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February 20, 2008

Indiana Ethics Commission
150 W. Market St., Suite 414
Indianapolis, IN 46204

SHAW R. FRIEDMAN

Re: **Formal Complaint against Ms. Lorraine Harmon**

CARLA J. MORGAN

KARENA A. BURDEN
MELISSA E. NASH
PARALEGALS

Dear Commission members,

As LaPorte County Attorney, I am submitting this formal Complaint on behalf of LaPorte County Assessor Carol McDaniel, regarding the post-employment activities of Ms. Lorraine Harmon, who was employed as Assistant Director of the Assessment Division, Department of Local Government Finance (DLGF), from approximately April, 2003 through August, 2007. This Complaint alleges that Ms. Harmon violated Indiana Code Section 4-2-6-11 and 42 IAC 1-5-14 by participating in the review and agency approval of LaPorte County's tax year 2006 ratio study while employed by the DLGF and then, following her employment with the State, assisting a disgruntled LaPorte County taxpayer in his repeated challenges to the very same LaPorte County ratio study.

Furthermore, this taxpayer contracted with a firm recommended by Ms. Harmon during her employment with the DLGF in order to challenge the County's 2006 ratio study. Ms. Harmon is now working with this taxpayer and has either a business relationship with him or is, at the very least, reviewing the work product of the firm she recommended to the taxpayer.

During Ms. Harmon's employment with the DLGF, her responsibilities included reviewing and approving (subject to the approval of her superiors) sales ratio studies provided to the DLGF by each Indiana county. (Generally speaking, sales ratio studies measure the accuracy and uniformity of local property tax assessments.) While at the DLGF, Ms. Harmon was involved in the review of the ratio study provided to the DLGF by LaPorte County for tax year 2006, which was approved by the agency. This study was conducted by Nexus Group (Nexus), an Indiana property tax consulting firm, representing approximately twenty (20) Indiana counties (approximately 40% of all real estate parcels located in Indiana). The methodology used by Nexus for the LaPorte County study was identical to that used for every other study performed for Nexus clients, at least some of which were reviewed and approved by Ms. Harmon.

During Ms. Harmon's employment with the DLGF, she was contacted by William

Wendt, a disgruntled LaPorte County taxpayer. Mr. Wendt contracted with Robert Denne of the out-of-state firm - *Almy, Gloudemans, Jacobs & Denne* - to challenge the County's 2006 ratio study. Indeed, the *Almy* firm was recommended to Mr. Wendt by Ms. Harmon.

Following her employment with the DLGF, Ms. Harmon assisted and continues to assist Mr. Wendt in his challenge to the 2006 LaPorte County ratio study. In addition, her work for Mr. Wendt requires some business relationship with him or at minimum, a review of the work product of Mr. Denne.


It is our belief that the post-employment activities of Ms. Harmon violate Indiana Code Section 4-2-6-11, which prohibits a former state employee from representing or assisting a person in a particular matter with which the person substantially participated in during employment with the state. On behalf of LaPorte County Assessor Carol McDaniel, the undersigned respectfully urges the Indiana Ethics Commission to review these post-employment activities of Ms. Harmon and to recommend any sanctions or remedies as are determined just and appropriate.

A copy of Ms. Harmon's deposition, taken in the matter of *Keith Sandin v. Michigan Township Assessor et al*, (Cause No. 46-021-0501-5-00002 pending before the Indiana Board of Tax Review) provides documentation for many of the claims listed above and will be supplied upon request.

Please do not hesitate to direct any inquiries to the attention of the undersigned.

Very truly yours,

FRIEDMAN & ASSOCIATES P.C.


By Shaw R. Friedman
Attorney at Law

SRF/lk

Rushenberg, Tim

From: Clerkin, John
Sent: Monday, February 25, 2008 8:24 AM
To: Rushenberg, Tim
Subject: FW: LaPorte County - Pay 2007 Auditor Data Compliance Summary
Attachments: LaPorteAuditorPay07 022508.pdf

The LaPorte 2006-Pay-2007 TAXDATA is now compliant!

From: Clerkin, John **On Behalf Of** DLGF Data
Sent: Monday, February 25, 2008 8:23 AM
To: Shuter, Teresa
Cc: clmcdaniel@laportecounty.org; Waddell, Julie; Elliott, Sharon; McKinney, Steve; Ott, Kurt; DLGF Data
Subject: LaPorte County - Pay 2007 Auditor Data Compliance Summary

To: Teresa Shuter, LaPorte County Auditor

The Department of Local Government Finance and the Legislative Services Agency have reviewed your 2006 Pay 2007 auditor data. A summary of our findings is attached. Only data that have been reviewed will be included in the attached summary.

Both the County Assessor and County Auditor are being included in this transmission to help facilitate your continued efforts in working together towards compliance. If you have any questions regarding these findings, please email the Data Analysis Division at data@dlgf.in.gov.

Thanks,

John D. Clerkin, Tax Analyst
Data Analysis, Dept of Local Government Finance

County Property Tax Data Submission to Legislative Services Agency and Dept of Local Govt Finance

County: LaPorte
 File: Auditor
 Year: 2006 pay 2007
 Vendor: EquifaxMVP
 Create Date: 2/14/2008
 Received: 2/14/2008
 Report Date: 2/20/2008
 Status: COMPLIANT

File Properties
 Standard Format: Y
 Valid Headers and Trailers: N
 # Records Match Trailers: Y
 Valid Key Structure: Y

Files Populated: TAXDATA
 ADJUMENTS Y

Real Property	AV	Count
Abstract Gross AV:	7,558,775,240	66,116
Parcel Gross AV:	7,546,221,610	99.83%
Tot Land AV:	2,359,145,170	65,850
Tot Impr AV:	5,187,076,440	43,505
Res Land AV:	739,835,920	29,564
Res Impr AV:	2,843,403,680	29,591
Res Tot AV:	3,583,239,600	29,604
NonRes Land AV:	1,619,309,250	43,657
NonRes Impr AV:	2,343,672,760	28,676
NonRes Tot AV:	3,962,982,010	53,301
Total Net AV:	5,250,848,970	62,098
Total Gross Tax:	130,174,804	62,098
Total PTRC:	32,807,401	62,098
Total Hmsrd Credit:	5,134,700	29,402
Total Net Tax:	92,210,660	62,098
Calc: Tax - Credits:	92,232,704	
Gov't Owned Code:		0
Personal Property		
Abstract Gross AV:	644,109,710	7,390
Parcel Gross AV:	644,062,440	99.99%
All Property		
Abstract Gross AV:	8,202,884,950	73,506
Parcel Gross AV:	8,190,284,050	99.85%
# Adjustments Out of Range		0

Taxing Districts	Count
Valid DLGF District Numbers: Y	
Gross AV Match All Districts: Y	
Comparison File	
Assessor Parcels	
With No Aud Match	166
Auditor Parcels	
With No Assess Match	32
Deductions / Exemptions	
Real Property	Count
Standard:	29,461
Mortgage:	18,633
Aged:	3,094
Blind/Disabled:	756
Veterans:	641
Exempt:	3,913
Abatement - Real Adj Code:	32
Abatement - Personal Adj Code:	1
Investment - Real Adj Code:	0
Investment - Pers/Util Adj Code:	0
OTHER:	63
Null/Miss/Invalid Codes:	0
Total Real Prop Adj	56,594
1,168,326,970	
55,868,950	
38,219,150	
9,356,680	
18,480,540	
604,288,680	
29,367,520	
390	
0	
4,453,190	
0	
1,928,362,070	
Bus. Personal Property:	
Abatement - Personal Adj Code:	392
Abatement - Real Adj Code:	0
Investment - Pers/Util Adj Code:	0
Investment - Real Adj Code:	0
EZ Investment Deduction	24
Exempt:	19
OTHER:	0
Null/Miss/Invalid Codes:	0
Total Bus. Pers Prop Adj	435
47,652,710	
0	
0	
0	
2,466,600	
238,150	
0	
0	
0	
50,357,460	
Total Real / Bus. PP Adj.	57,029
1,978,719,530	
Residential Personal Property:	
Std, Mtg, Aged, B/D, Vet	1
Total Adj - All Property	57,030
1,978,720,030	
ABSTRACT	
1,168,371,970	
55,871,950	
38,219,150	
9,356,680	
18,480,540	
620,417,980	
29,367,520	
800,390	
21,400	
1,940,907,580	
47,653,100	
0	
2,466,600	
238,150	
50,358,350	
1,991,265,930	

NOTE: This report is applicable only to the vendor and file creation date shown.
 Separate reports will be issued for files created on other dates or by other vendors.

County Property Tax Data Submission to Legislative Services Agency and Dept of Local Govt Finance
Compliance Issues

County: LaPorte
File Auditor
Year: 2006 pay 2007
Vendor: EquitaxMVP
File Create Date: 2/14/2008
File Received Date: 2/14/2008
Report Date: 2/20/2008

NOTE:

The abstract total for Exempt property (\$620 M) contains railroad AV which should not have been included in the total. The total value of real property exemptions from the ADJMENTS file (\$604.3 M) is the correct number.

REJECTION

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WARNINGS:

- 1 There are 54 out of 1,552 real property exemptions in the ADJMENTS file coded as "OTHER".
- 2 There are personal 24 property deductions worth \$2,466,600 in AV that are coded as the old Enterprise zone deductions (#21) rather than the new Enterprise Zone Investment Deduction (#54).
- 3 It is possible that the ADJMENTS file contains 1 record (\$390 AV) which appears to be a real property abatement but carry the adjustment type code for personal property abatements. Real property abatements should be coded as "16".
- 4 The abstract shows \$800,390 in real property investment deductions but the ADJMENTS file has none.
- 5 It is possible that the ADJMENTS and TAXDATA files do not have valid trailer records.
- 6
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- 8
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Rushenberg, Tim

From: Shaw Friedman [sfriedman.associates@verizon.net]
Sent: Monday, February 25, 2008 10:11 PM
To: Rushenberg, Tim
Subject: Re: 2006 pay 2007 LaPorte Co. assessments

thank you...let me put some thoughts together on this and get them to you tomorrow.

Shaw

----- Original Message -----

From: "Rushenberg, Tim" <trushenberg@dlgf.in.gov>
To: <sfriedman.associates@verizon.net>
Sent: Monday, February 25, 2008 5:11 PM
Subject: Re: 2006 pay 2007 LaPorte Co. assessments

> We thought we'd do the joint meeting as the hearing. It's not required, but thought it'd be good to receive all input. We did public hearings (granted under different circumstances) in 21 counties and found it was a valuable forum. We'd keep it limited to the data analysis and not involve collateral matters (I.e.PTABOA, etc...). We feel it is important to keep the people of LP informed and keep the process open to public scrutiny. If you have strong objections to a public hearing, we'll consider it. Nothing has been finalized.

>

>

> ----- Original Message -----

> **From:** Shaw Friedman <sfriedman.associates@verizon.net>
> **To:** Rushenberg, Tim
> **Sent:** Mon Feb 25 17:39:26 2008
> **Subject:** Re: 2006 pay 2007 LaPorte Co. assessments

>

> Tim,

>

> Why is a public hearing required? I don't believe such a hearing was necessary before your agency approved the 2006 pay 2007 ratio study in February. It wasn't required when your agency chose not to order a new reassessment (like you did for 20 other counties) in September 2007? How does the October Wendt reassessment petition now rise to the level of the agency "credentialing" it with a public hearing?

>

> I would have to check on availability for both Ms. McDaniel as well as representatives of Nexus Group.

>

> Furthermore, I thought there was to be a joint meeting to discuss any findings prior to any further action by the agency?

>

> Shaw

>

> ----- Original Message -----

> From: Rushenberg, Tim <mailto:trushenberg@dlgf.in.gov>
> To: Shaw Friedman <mailto:sfriedman.associates@verizon.net>
> Sent: Monday, February 25, 2008 4:35 PM
> Subject: RE: 2006 pay 2007 LaPorte Co. assessments

> Shaw,

> We think we'll have our analysis done next week on all of the data. We want to hold a public hearing in LaPorte on Thursday evening, March 6. Before I send out a letter with details and ground rules on the public hearing, I need to know if Ms. McDaniel will be available. We referenced getting both sides together to discuss the relevant evidence in our December 21 letter.

> Very Respectfully,

> Timothy J. Rushenberg
> General Counsel
> Indiana Department of Local Government Finance

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> From: Shaw Friedman [mailto:sfriedman.associates@verizon.net]
> Sent: Monday, February 25, 2008 5:06 PM
> To: Rushenberg, Tim
> Subject: Re: 2006 pay 2007 LaPorte Co. assessments

> thank you.

> ----- Original Message -----

> From: Rushenberg, Tim <mailto:trushenberg@dlgf.in.gov>
> To: Shaw Friedman <mailto:sfriedman.associates@verizon.net>
> Sent: Monday, February 25, 2008 1:03 PM
> Subject: RE: 2006 pay 2007 LaPorte Co. assessments

> Shaw,

> Per your request below, since the day the additional Denne data was provided to you was Thursday, February 21, you have ten (10) days from February 21 to reply to it. As a result, the deadline for your response to is due to the Department by on or about Monday, March 3.

> Thanks.

> Timothy J. Rushenberg
> General Counsel
> Indiana Department of Local Government Finance

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> _____
> From: Shaw Friedman [mailto:sfriedman.associates@verizon.net]
> Sent: Monday, February 04, 2008 11:19 AM
> To: Rushenberg, Tim
> Subject: Re: 2006 pay 2007 LaPorte Co. assessments

> thank you. Then, I may need an extension on the ten (10) days you granted me to provide a reply since I was working on the premise that the narrative that I was provided by Mr. Atherton constituted the sum and substance of their submission.

> I will await the data you've indicated the department is supplying and

would ask ten (10) days from the date it is provided to me.

>

> Thanks, Shaw

>

>

> ----- Original Message -----

> From: Rushenberg, Tim <mailto:trushenberg@dlgf.in.gov>

> To: Shaw Friedman <mailto:sfriedman.associates@verizon.net>

> Sent: Monday, February 04, 2008 10:10 AM

> Subject: RE: 2006 pay 2007 LaPorte Co. assessments

>

> January 24th. We received the data.

>

>

> Timothy J. Rushenberg

> General Counsel

> Indiana Department of Local Government Finance

>

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> From: Shaw Friedman [mailto:sfriedman.associates@verizon.net]

> Sent: Monday, February 04, 2008 11:00 AM

> To: Rushenberg, Tim

> Subject: 2006 pay 2007 LaPorte Co. assessments

>

>

> Tim,

>

> When did the agency receive Denne's data? The January 25, 2008 letter of Mr. Atherton to me providing a copy of their January 24, 2008 submission to the agency did not contain any data with it.

>

> Shaw

>
> ----- Original Message -----
> From: Rushenberg, Tim <mailto:trushenberg@dlgf.in.gov>
> To: Shaw Friedman <mailto:sfriedman.associates@verizon.net>
> Sent: Monday, February 04, 2008 7:19 AM
> Subject: RE: Press release from County Assessor Carol McDaniel
>
> Shaw,
>
> Brenda Summers, Public Information Officer, forwarded your voice mail to
me this morning. Yes, we did receive data from Mr. Denne. We are compiling
and organizing it for you.
>
> Very Respectfully,
>
> Timothy J. Rushenberg
> General Counsel
> Indiana Department of Local Government Finance
>
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any governmental authority.
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Rushenberg, Tim

From: Atherton, Thomas [TAtherton@boselaw.com]
Sent: Tuesday, February 26, 2008 3:17 PM
To: Rushenberg, Tim
Subject: RE: LaPorte County

Mr. Denne will be available on 3/6.

I have no objections to a public meeting in LaPorte, as long as people don't throw things.

Seriously, I would like to have some indication of how much, if any, participation from the general public will be allowed. No doubt there are a lot of unhappy folks up there who would like to have a say, but they probably will bring heat, not light to the problem. They are also likely to consume a lot of time, but I understand if public input is needed. Just let me know generally how long I have to make my case and I will fit my remarks to the timeframe.

If you prefer to have it in your offices, I'm ok with that as well.

Tom

PS Given the way things have been going in LaPorte, you may want to consider having the "bout" in Madison Square Garden.

From: Rushenberg, Tim [mailto:trushenberg@dlgf.in.gov]
Sent: Tuesday, February 26, 2008 3:06 PM
To: Atherton, Thomas
Subject: LaPorte County

Tom,

We're still discussing the potential March 6 meeting. I need to hear back from the county to see if McDaniel and Nexus will be available. Will Mr. Denne be ready if we hold the meeting on March 6?

Also, do you have any objections to the meeting being in LaPorte and open to the public? Since we haven't finalized the plans for this potential hearing, if you believe the meeting should be kept at the DLGF between the interested parties and not at a public hearing in LaPorte County, please let us know and we'll consider any objections you may have.

Very Respectfully,

Timothy J. Rushenberg
General Counsel
Indiana Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204
Phone: (317) 232-3777
Fax: (317) 232-8779

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2/26/2008

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**BOSE
McKINNEY
& EVANS LLP**

ATTORNEYS AT LAW

Thomas M. Atherton

2700 First Indiana Plaza
135 North Pennsylvania Street
Indianapolis, IN 46204
Direct Dial: (317) 684-5348
Fax: (317) 223-0348
E-Mail: T.Atherton@boselaw.com

February 27, 2008

Mr. Timothy Rushenberg
General Counsel
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue, Room N1058
Indianapolis, IN 46204

Re: LaPorte County Ratio Studies

In my January 24, 2008 letter to you, I offered a commentary on the sales ratio study submitted by LaPorte County. In Part II of that commentary, I discussed LaPorte County's practice of sales chasing. Section 15 of the IAAO Standard on Ratio Studies describes sales chasing as follows:

Sales chasing is the practice of using the sale of a property to trigger a reappraisal of that property at or near the selling price. Sales chasing causes invalid uniformity results in a sales ratio study and causes invalid appraisal level results unless similar unsold parcels are reappraised by a method that produces an appraisal level for unsold properties equal to the appraisal level of sold properties.

My January 24 commentary included an analysis prepared by Mr. Denne showing that there is a greater than 99.9% level of confidence that sales chasing has occurred in LaPorte County. While the data and analysis demonstrated that the County undoubtedly did chase sales, the analysis did not describe the methods LaPorte used to treat sold properties differently from unsold properties, which, in turn, invalidated the County's ratio study. This letter provides that additional analysis, and highlights the methods LaPorte County used to treat sold properties differently from unsold properties.

Initially, I should point out that the IAAO Standard, which is incorporated by 50 IAC 21-3-1, prohibits the practice of treating sold properties differently from unsold properties. The exact method used to treat them differently doesn't matter; so whether the properties are treated differently by changing age, grade, condition or just the bottom line assessed value, each type of change is equally impermissible. Nonetheless, it seemed that an examination of the methods

Mr. Timothy Rushenberg
March 10, 2008
Page 2

Nexus used might be of interest to the Department and so Mr. Denne has reviewed the data submitted by LaPorte County to see if statistically significant patterns exist. As will be detailed below, they do.

Specifically, Mr. Denne reviewed five subjective characteristics: grade, condition, effective date of construction, physical depreciation and obsolescence depreciation. He then examined the LaPorte sales and assessment data to see whether sold and unsold properties were treated the same in relation to these five characteristics. The results of his analysis are attached as Exhibit 1.

A brief explanation of Exhibit 1 may assist the reader. The first and most meaningful Table is Table 2A. Table 2A examines all of the five named subjective factors together. The Tables that follow examine each factor on its own: Table 2B examines grade, Table 2C examines condition, etc.¹

The overall pattern of the various tables is exemplified by Table 2A. The right half of Table 2A compares changes in sold properties with changes in unsold properties on a simple percentage basis. For example, looking at line number 1, in Cass Township, 8.3% of unsold properties received assessment changes in one or more of the five subjective categories, while 12.3% of the sold properties received assessment changes in one or more of the five subjective categories. The results of the chi square p-test are shown on the left hand side of the page.² Again, looking at line 1, the chi square result is .159, meaning there is a 15.9% likelihood that the differences are caused by chance.

By way of comparison, line 2 shows that, in Center Township, one can be more than 99.9%³ certain that the differences in treatment between sold and unsold properties were not caused by chance. The converse is equally true and more readily understandable: in Center Township, there is less than a 0.1% likelihood that the differences between sold and unsold properties are caused by chance. As one examines the individual townships, the column with the asterisks shows that in 14 of the 21 townships there is less than a 0.1% chance that the differences between sold and unsold properties is a product of chance.

¹ Though Table 2E includes "neighborhood quality" as a subjective factor studied, ultimately neighborhood quality was not included in the test since it is not parcel-specific. Table 2G analyses a change made on the basis of obsolescence depreciation, and is included for purposes of completeness, but is of limited usefulness due to the relatively low overall incidence of changes to this characteristic.

² The "Chi-Square P-test" examines the likelihood that differences between observed occurrences are the result of "chance." The lower the result of the chi square test, the less likely it is that the differences are caused by chance.

³ While the text next to the double asterisk indicates that the confidence level is 99% "or higher," the actual chi square value is shown as .000, meaning that there is less than a 0.1% likelihood that the differences were caused by chance.

Mr. Timothy Rushenberg
March 10, 2008
Page 3

What do the statistics tell us about the treatment of sold and unsold properties on a county-wide basis? The top line of the data labeled "County Overall" reveals the answer. The right side of the "County Overall" line shows that 15.4% of the unsold properties in the county-wide sample received an assessment change in one or more of the five subjective factors, while almost twice as many of the of the sold properties (29.3%) had one or more of those five factors changed. The chi square test reveals that the likelihood that these differences were the product of chance is less than 0.1%. In other words, we can say to a 99.9% certainty that the differences between the sold and unsold properties were the product of impermissible assessment action: sales chasing.

Mr. Denne's analysis confirms the analysis submitted with my January 24 letter. The LaPorte County sales assessment ratio studies are flawed and the assessments in the county are neither uniform nor equal. Finally, we note that the Department has ordered reassessment in a number of counties in Indiana on the basis of information that is equal to or less compelling than the information provided in Mr. Denne's analyses. Based on the detailed evidence that the LaPorte County's ratio studies are flawed and based on the additional evidence of sales chasing provided here, the Department should order a reassessment.

Very truly yours,

Thomas M. Atherton

TMA:
Enclosure

CC Shaw Friedman via email

Table 2A
Changes to 5 Subjective Variables Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
County	OVERALL	0.000 **	15.4	29.3	90%
	1 Cass Twp	0.159	8.3	12.3	48%
	2 Center Twp	0.000 **	14.3	28.9	102%
	3 Clinton Twp	0.000 **	10.4	25.3	143%
	4 Coolspring Twp	0.000 **	7.5	25.9	245%
	5 Dewey Twp	0.018 *	45.7	59.3	30%
	6 Galena Twp	0.000 **	1.9	13.8	626%
	7 Hanna Twp	0.000 **	2.9	17.6	507%
	8 Hudson Twp	0.000 **	4.3	17.4	305%
	9 Johnson Twp	0.061	3.1	14.3	361%
	10 Kankakee Twp	0.000 **	8.8	20.0	127%
	11 Lincoln Twp	0.396	54.7	58.0	6%
	12 Michigan Twp	0.000 **	28.3	41.5	47%
	13 New Durham Twp	0.057	5.1	8.4	65%
	14 Noble Twp	0.000 **	2.7	11.0	307%
	15 Pleasant Twp	0.000 **	5.4	15.8	193%
	16 Prairie Twp	0.060	1.1	10.0	809%
	17 Scipio Twp	0.000 **	2.9	16.1	455%
	18 Springfield Twp	0.000 **	4.0	16.4	310%
	19 Union Twp	0.000 **	1.9	12.0	532%
	20 Washington Twp	0.055	9.3	16.5	77%
	21 Wills Twp	0.000 **	1.2	9.6	700%

Note: * Significant at 95% confidence level

** Significant at 99% confidence level, or higher

The subjective variables included in the test were:

- a. Grade
- b. Condition
- c. Effective Age
- d. Physical Depreciation
- e. Obsolescence Depreciation
- Neighborhood quality was not included in the test since it is not parcel-specific.

Table 2B
Changes to Grade Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
County	OVERALL	0.000 **	7.6	18.1	138%
	1 Cass Twp	0.014 *	0.7	3.3	371%
	2 Center Twp	0.000 **	6.7	17.8	166%
	3 Clinton Twp	0.000 **	4.8	19.0	296%
	4 Coolspring Twp	0.000 **	1.4	15.0	971%
	5 Dewey Twp	0.250	39.6	42.6	8%
	6 Galena Twp	0.000 **	0.9	8.5	844%
	7 Hanna Twp	0.000 **	0.0	11.8	N.M.
	8 Hudson Twp	0.000 **	0.9	8.4	833%
	9 Johnson Twp	0.110	1.0	7.1	610%
	10 Kankakee Twp	0.000 **	1.8	16.4	811%
	11 Lincoln Twp	0.681	44.1	42.5	-4%
	12 Michigan Twp	0.000 **	14.4	25.4	76%
	13 New Durham Twp	0.000 **	0.6	4.9	717%
	14 Noble Twp	0.000 **	0.5	7.7	1440%
	15 Pleasant Twp	0.000 **	1.1	5.0	355%
	16 Prairie Twp	0.735	1.1	0.0	-100%
	17 Scipio Twp	0.000 **	1.1	7.6	591%
	18 Springfield Twp	0.000 **	0.8	12.4	1450%
	19 Union Twp	0.000 **	0.3	7.2	2300%
	20 Washington Twp	0.000 **	1.3	11.4	777%
	21 Wills Twp	0.000 **	0.3	7.0	2233%

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

Table 2C
Changes to Condition Code Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
County	OVERALL	0.000 **	4.3	9.7	126%
	1 Cass Twp	0.000 **	0.4	4.9	1125%
	2 Center Twp	0.000 **	2.6	6.7	158%
	3 Clinton Twp	0.011 *	6.0	13.9	132%
	4 Coolspring Twp	0.000 **	0.9	7.3	711%
	5 Dewey Twp	0.701	9.7	11.0	13%
	6 Galena Twp	0.000 **	0.8	7.7	863%
	7 Hanna Twp	0.000 **	0.0	11.8	N.M.
	8 Hudson Twp	0.000 **	0.8	7.8	875%
	9 Johnson Twp	N.A.	0.0	0.0	N.M.
	10 Kankakee Twp	0.000 **	0.9	6.4	611%
	11 Lincoln Twp	0.357	21.8	24.9	14%
	12 Michigan Twp	0.000 **	9.6	14.9	55%
	13 New Durham Twp	0.000 **	0.7	3.4	386%
	14 Noble Twp	0.000 **	0.3	6.6	2100%
	15 Pleasant Twp	0.000 **	1.0	9.9	890%
	16 Prairie Twp	0.735	1.1	0.0	-100%
	17 Scipio Twp	0.000 **	0.4	5.9	1375%
	18 Springfield Twp	0.000 **	1.1	9.1	727%
	19 Union Twp	0.000 **	0.0	3.0	N.M.
	20 Washington Twp	0.000 **	0.8	11.4	1325%
	21 Wills Twp	0.188	0.2	0.9	350%

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

Table 2D
Changes to Effective Construction Year Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
	OVERALL	0.000 **	2.9	11.3	290%
	1 Cass Twp	0.000 **	0.7	7.4	957%
	2 Center Twp	0.000 **	4.5	13.7	204%
	3 Clinton Twp	0.000 **	1.0	7.6	660%
	4 Coolspring Twp	0.000 **	1.0	13.8	1280%
	5 Dewey Twp	0.001 *	23.2	39.6	71%
	6 Galena Twp	0.000 **	0.7	9.2	1214%
	7 Hanna Twp	0.000 **	0.0	4.4	N.M
	8 Hudson Twp	0.001 **	2.7	7.8	189%
	9 Johnson Twp	0.000 **	0.0	14.3	N.M
	10 Kankakee Twp	0.000 **	0.9	4.8	433%
	11 Lincoln Twp	0.000 **	6.2	14.0	126%
	12 Michigan Twp	0.000 **	4.2	10.7	155%
	13 New Durham Twp	0.012 *	0.2	1.5	650%
	14 Noble Twp	0.000 **	0.0	8.8	N.M
	15 Pleasant Twp	0.000 **	0.8	12.4	1450%
	16 Prairie Twp	0.003 **	0.0	10.0	N.M
	17 Scipio Twp	0.000 **	0.5	8.5	1600%
	18 Springfield Twp	0.000 **	0.6	9.5	1483%
	19 Union Twp	0.000 **	0.0	7.2	N.M
	20 Washington Twp	0.000 **	0.6	8.9	1383%
	21 Wills Twp	0.000 **	0.0	3.5	N.M

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

Table 2E
Changes to Neighborhood Quality Code Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
County	OVERALL	0.010 **	7.9	8.8	11%
	1 Cass Twp	N.A.	0.0	0.0	N..M.
	2 Center Twp	0.023 *	0.3	0.7	133%
	3 Clinton Twp	0.019 *	4.0	10.1	153%
	4 Coolspring Twp	0.858	1.1	1.2	9%
	5 Dewey Twp	N.A.	0.0	0.0	N..M.
	6 Galena Twp	N.A.	0.0	0.0	N..M.
	7 Hanna Twp	0.675	0.3	0.0	-100%
	8 Hudson Twp	N.A.	0.0	0.0	N..M.
	9 Johnson Twp	0.701	1.0	0.0	-100%
	10 Kankakee Twp	0.106	20.2	24.7	22%
	11 Lincoln Twp	0.663	19.2	17.8	-7%
	12 Michigan Twp	0.274	23.1	24.2	5%
	13 New Durham Twp	N.A.	0.0	0.0	N..M.
	14 Noble Twp	N.A.	0.0	0.0	N..M.
	15 Pleasant Twp	N.A.	0.0	0.0	N..M.
	16 Prairie Twp	N.A.	0.0	0.0	N..M.
	17 Scipio Twp	N.A.	0.0	0.0	N..M.
	18 Springfield Twp	N.A.	0.0	0.0	N..M.
	19 Union Twp	N.A.	0.0	0.0	N..M.
	20 Washington Twp	N.A.	0.0	0.0	N..M.
	21 Wills Twp	0.000 **	0.5	4.4	780%

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

Table 2F
Changes to Physical Depreciation Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
	OVERALL	0.000 **	12.0	22.1	84%
	1 Cass Twp	0.237	8.2	11.5	40%
	2 Center Twp	0.000 **	10.4	20.5	97%
	3 Clinton Twp	0.003 **	9.0	20.3	126%
	4 Coolspring Twp	0.000 **	7.2	23.8	231%
	5 Dewey Twp	0.002 **	32.4	49.5	53%
	6 Galena Twp	0.000 **	1.7	12.3	624%
	7 Hanna Twp	0.000 **	2.9	16.2	459%
	8 Hudson Twp	0.000 **	4.0	14.4	260%
	9 Johnson Twp	0.023 *	2.1	14.3	581%
	10 Kankakee Twp	0.092	8.0	11.2	40%
	11 Lincoln Twp	0.106	31.3	37.3	19%
	12 Michigan Twp	0.000 **	22.6	30.8	36%
	13 New Durham Twp	0.679	4.7	5.4	15%
	14 Noble Twp	0.000 **	2.0	9.9	395%
	15 Pleasant Twp	0.000 **	4.9	15.8	222%
	16 Prairie Twp	0.060	1.1	10.0	809%
	17 Scipio Twp	0.000 **	2.1	13.6	548%
	18 Springfield Twp	0.000 **	3.7	13.8	273%
	19 Union Twp	0.000 **	1.7	10.8	535%
	20 Washington Twp	0.587	8.3	10.1	22%
	21 Wills Twp	0.001 **	0.7	4.3	514%

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

Table 2G
Changes to Obsolescence Depreciation Between Pay 2006 and Pay 2007 for Existing Improved Parcels
By Whether or Not the Property Sold Since 1/1/2004
And the Likelihood that Different Propensities To Change Arose By Chance Alone

County		Chi-Square p-value: likelihood of same treatment	Pct of Existing Unsold Parcels with Changes	Pct of Existing Sold Parcels with Changes	Increased Likelihood of Change If Sold
County	OVERALL	0.000 **	0.7	3.7	429%
	1 Cass Twp	N.A.	0.0	0.0	N.M.
	2 Center Twp	0.000 **	0.7	1.6	129%
	3 Clinton Twp	0.134	0.2	1.3	550%
	4 Coolspring Twp	0.000 **	0.3	2.3	667%
	5 Dewey Twp	0.377	2.7	1.1	-59%
	6 Galena Twp	N.A.	0.0	0.0	N.M.
	7 Hanna Twp	0.017 *	0.0	1.5	N.M.
	8 Hudson Twp	0.002 **	0.3	2.4	700%
	9 Johnson Twp	N.A.	0.0	0.0	N.M.
	10 Kankakee Twp	0.156	0.8	0.0	-100%
	11 Lincoln Twp	0.298	0.8	1.6	100%
	12 Michigan Twp	0.000 **	1.6	9.5	494%
	13 New Durham Twp	0.014 *	0.0	0.5	N.M.
	14 Noble Twp	0.582	0.3	0.0	-100%
	15 Pleasant Twp	0.017 *	0.1	1.0	900%
	16 Prairie Twp	N.A.	0.0	0.0	N.M.
	17 Scipio Twp	0.019 *	0.0	0.4	N.M.
	18 Springfield Twp	0.000 **	0.0	1.1	N.M.
	19 Union Twp	N.A.	0.0	0.0	N.M.
	20 Washington Twp	0.682	0.2	0.0	-100%
	21 Wills Twp	N.A.	0.0	0.0	N.M.

Note: * Significant at 95% confidence level
 ** Significant at 99% confidence level, or higher

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
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INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204

Notice of Public Meeting Department of Local Government Finance

The Indiana Department of Local Government Finance ("Department") will conduct a public meeting pursuant to the Department's authority in Indiana Code section 6-1.1-35-1 to ensure "that all property assessments are made in the manner provided by law"; and Indiana Code section 6-1.1-4-31, which requires the Department to "periodically check the conduct of...work required to be performed by local officials under 50 IAC 21 [annual adjustment or "trending" rule]...and... other property assessment activities in the county, as determined by the department."

The public meeting will take place on **Thursday, March 6, 2008 at 5:00pm** (LaPorte time), at the LaPorte County Complex, 809 State Street, LaPorte, Indiana 46350, in the County Commissioner's rooms #2 and #3. **The purpose of this public meeting is to discuss the accuracy, uniformity, and equity of the assessment of real property in LaPorte County for 2006-pay-2007; with a particular emphasis on the sales-assessment ratio study conducted by analyst Robert C. Denne.**

The order of the March 6th meeting will occur as follows:

1. Department introductions (3 minutes)
2. Department overview (15 minutes)
3. Presentation by LaPorte County Assessor or representative (15 minutes)
4. Presentation by Robert C. Denne/William H. Wendt or representative (15 minutes)
5. Rebuttal by LaPorte County Assessor or representative (10 minutes)
6. Surrebuttal by Robert C. Denne/William H. Wendt or representative (10 minutes)
7. Comments from any elected LaPorte County or township officials in attendance (each limited to 10 minutes)
8. Comments from members of the General Public (limited to LaPorte County residents or real property taxpayers of county)(each limited to 3 minutes)

For more information about this public meeting and the subject matter to be discussed, LaPorte County Assessed Value Analysis, please visit www.in.gov/dlgef/rates/reports.html

Signed this ^{20th}~~21~~ day of February, 2008.

Cheryl A.W. Musgrave, Commissioner
Department of Local Government Finance

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
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INDIANA GOVERNMENT CENTER NORTH
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Signed this 29th day of February, 2008.

Cheryl A.W. Musgrave, Commissioner
Department of Local Government Finance